



ARIZONA BOARD OF APPRAISAL

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MINUTES REGULAR BOARD MEETING Thursday, December 16, 2010, 9:01 AM

CALL TO ORDER AND ROLL CALL

Regular Board meeting called to order by Les Abrams, Chairman.

Board members Present at Roll Call:

Les Abrams
Debbie Rudd
Cynthia Henry
Myra Jefferson
James Heaslet
Michael Marquess
Michael Petrus
Mike Trueba
Kevin Yeanoplos

Staff Attendance:

Dan Pietropaulo – Executive Director
Jeanne Galvin – Assistant AG
Rebecca Loar - Staff
Amanda Benally - Staff

PLEDGE ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA **APPROVAL OF MINUTES**

The Executive Director explained that the November minutes were not complete. He stated that he had written them with greater detail in an effort to provide the regulated community with more information but that the time involved was too great in that it had taken approximately 15 hours and were not yet complete. He then stated that the December minutes would be written in bullet points with the non case portions written in a greatly condensed version. He felt the time needed to be reduced to a half day due to lack of human resources.

CALL TO THE PUBLIC

A call to the public was made with no responses.

COMPLAINT REVIEW

3146/47 Roy Morris/James S. Vournas - present

Complaint alleges violations of the following:

1. Ethics Rule
2. Conduct
3. Scope of work
4. 1-1a, c, c, 1-2h for methods and techniques
5. Errors and Omissions
6. Careless and negligent appraisal practice and scope

Board action:

1. Some members discussed sending the matter to investigation since Mr. Morris is a Board investigator. Mike Petrus objected since he went through the appraisal and could find nothing indicating anything other than a dismissal and that they should treat him exactly like we would any other respondent. Jeanne Galvin informed the Board that the Board had previously voted to send any complaints regarding sitting Board members directly to investigation but had not done so for investigators. The Board voted to dismiss. Motion was made by Michael Petrus and seconded by Mike Trueba and carried unanimously.

3166 Ronald E. Sands - present

Complaint alleges:

1. Multiple errors resulting in an inaccurate appraisal

Board action:

Board found no violations and complaint was dismissed

The motion was made by James Heaslet, seconded by Michael Marquess and carried unanimously.

3109 Colby J. Hunter - present

Complaint alleges:

1. Multiple USPAP errors were found

Board action:

Board found no errors and complaint was dismissed

The motion was made by Michael Marquess, seconded by Mike Petrus and carried unanimously.

3051 Dusty L. Rhoton - present, witness Julie Friess Informal Hearing

Michael Marquess recused himself due to previous professional relationship. Ms Rhoton asked that he not be recused as he made the original motion at the initial file review. This case was heard at initial file review and a consent agreement was offered Ms Rhoton. She declined and asked for an Informal Hearing.

Jeanne Galvin stated that the decision to recuse was totally that of the Board member and that it wouldn't matter in that all previous discussion would not be considered. This hearing would start the matter over from the beginning.

Opening statement was then made by Ms Rhoton. She explained the process by which she developed the report and the subsequent lack of comparable data. The subject is a log sided home and only one log home comparable was found and used. She explained her reasoning for the choice of comparables and asked the Board to consider all of the comparable shown in her work file in their decision. She introduced her witness, Julie Friess who then gave her description of that particular market.

Mike Petrus and James Heaslet had questions which she answered. The Board then voted to send the file to investigation. The motion was made by Mike Petrus, seconded by James Heaslet and carried unanimously. Michael Marquess was recused.

The Board then took a ten minute break.

3064 Williams J. Wisniewski- present

Complaint alleges:

1. Estimate of value is too high
2. Too many errors
3. All comps used are completely remodeled leading to a non credible report

Board action:

1. Competency and record keeping for multiple signed appraisals
2. 1-1a; 1-4a; 1-4b; 1-2h
3. Level 3 violation - Ethics
4. 15 hours of basic appraisal with exam with no CE credits
5. Mentorship for 6 months with minimum 12 reports
6. Consent agreement

Motion was made by James Heaslet, seconded by Michael Marquess and carried unanimously.

3170 Scott J. Reischl - present

Complaint:

1. Inappropriate sales
2. Lack of declining market disclosure and adjustments
3. Did not bracket the subject amenities
4. Understated the sale improvements

Board action:

1. The Board discussed that respondent is already taking corrective action and is under probation for similar violations from the same period of time
2. Board voted to dismiss

Motion was made by James Heaslet, seconded by Mike Petrus and carried unanimously.

3171 James W. Butcher

Complaint alleges:

1. Appraiser did not inspect the inside of the home which was verified by neighbors
2. Errors and omissions of condition of property to the extent that it would not appraise for a loan or VA guarantee.

Board action:

1. Board found no violations and voted to dismiss

Motion was made by James Heaslet, seconded by Mike Petrus and carried unanimously.

3176 Henry I. Wieczorek, Jr.

Complaint alleges:

1. Multiple USPAP errors were found

Boards action:

1. Due to current discipline underway for a previous complaint and since this current complaint was regarding an appraisal prior to the last complaint the Board decided to table the decision and ask Respondent to provide his log and staff would choose several more recent appraisals for Board review. The object is to see if there has been improvement in appraiser's work product.

Motion was made by Michael Marquess, seconded by Mike Petrus and carried unanimously.

3177 Theresa L. McReynolds

Complaint alleges:

1. This appraiser was not the one who physically inspected my home. Steve McReynolds was the one who inspected the property and was not included in the report.

Board action:

Board had numerous questions on this report and voted to send it to investigation

Motion was made by Michael Marquess, seconded by Cynthia Henry and carried unanimously.

2964 et al Razvan P. Silvas

Investigative File Review:

Board action:

1. Board voted to accept the investigators reports
2. Board voted to invite respondent to informal hearing for possible suspension with a move to formal hearing if he should not agree. It was also agreed that it should be done in January as it is urgent.

Motion was made by Michael Marquess, seconded by Cynthia Henry and carried unanimously.

2972 et al Walter C. Lambert

Investigative File Review:

Board action:

1. Accept investigator's reports with no violations and voted to dismiss

Motion was made by Michael Marquess, seconded by Mike Petrus and carried unanimously.

3007 John M. Simms

Investigative File Review:

1. Respondent did not renew license and is past the 90 day grace period.

Board action:

1. Close file without prejudice

Motion was made by Michael Marquess, seconded by James Heaslet and carried unanimously.

2991 Jack W. Brainard

Compliance File Review:

1. Respondent did not renew license and is past the 90 day grace period

Board action:

1. Close file without prejudice

Motion was made by Michael Marquess, seconded by James Heaslet and carried unanimously.

2768 Wade A. LaVigne

Respondent's request to have the Board accept the 15 hours of advanced residential class when the Board had assigned 15 hours of basic.

Board action:

1. Board voted to accept Mr. LaVigne's request and allow the 15 hours of advanced residential class as compliance with the Consent Agreement.

Motion was made by James Heaslet, seconded by Michael Marquess and carried unanimously.

12 Month File Review

Executive Director Dan Pietropaulo gave a report to the Board outlining the 12 month status report, presented dialogue about pending and other status, due process to go to Formal hearing, and an update on the investigation report status.

AMCs for Ratification

The Board was then presented with a list of AMCs that had been previously approved by the Executive Director which the Board then voted to ratified all of the AMCs included in the consent agenda.

Motion was made by Michael Marquess, seconded by Mike Petrus and carried unanimously.

Directors Report

The Executive Director, Dan Pietropaulo presented his monthly report to the Board.

Update on complaint statistics and investigation status

1. There are no complaints with dates extended by staff.
2. 3 awaiting formal hearing
3. 4 awaiting informal hearing
4. 31 awaiting investigation
5. 33 awaiting reply

3. Dan Pietropaulo is in discussion with NIC and ADOA regarding availability of credit card payment from our website. Discussions have just begun and there is no resolution as yet and he will keep the Board informed.

4. Staff has started auditing classes and has audited two so far. Dan is in process of finding and/or developing an audit checklist so that standardized results can be had regardless of who completes the audit.

5. Discussed the voluntary discipline matrix that had been presented to the Board and informed them it would be on the January agenda for their discussion and decision to adopt.

6. Discussed the Referral of Suspicious Appraiser Activity form (Standardized Complaint Form). The form has been disseminated to the Board members and will be on the January agenda for them to discuss and take action regarding adopting or modifying this form.

The Board then took a short break.

Appraisal Testing and Education

The Education Committee then recommended all consent agenda items to the Board for approval with the exception of one which increased from 9 to 10 hours as well as additional instructions which the Board approved.

Motion was made by James Heaslet, seconded by Michael Marquess and carried unanimously.

The Board then recessed for lunch at 11:25. The meeting reconvened at 1:01.

2769 Informal hearing - Jeremy M. Reising

Respondent's license has expired and is past the 90 day grace period. The Board voted to close the file without prejudice.

Motion was made by Michael Marquess, seconded by James Heaslet and carried unanimously.

2878 Informal hearing Robert L. Van Dyke

Respondent's license has expired and is past the 90 day grace period. The Board voted to close without prejudice and rescind the OAH hearing.

Motion was made by Michael Marquess, seconded by James Heaslet and carried unanimously.

3112 Carolyn A. Fox - represented by attorney Mr. Craig Boates

In July of this year the Board had voted to refer this case to the Office of Administrative Hearings for a formal hearing for the possible revocation of Ms Fox's appraisal certificate. Mr. Boates asked that the license be placed on inactive status and then to expire without going to formal hearing. The issue involves an untruthful answer on her previous renewal application and she has apologized as it was inadvertent.

A motion was made to go into Executive Session for legal advice and so moved.

After conclusion of Executive Session the Board then offered Ms Fox the opportunity to voluntarily surrender her license and if she does not agree then the case should move to formal hearing. The Board gave her 20 days to consider it's offer or go to formal hearing.

The decision was made by unanimous roll call.

Application Review

The Application Committee recommended the full Board approve all applications on the consent agenda with exception of several that were still waiting on additional information.

One AMC application was recommended approved pending receipt of the bond approval which was reported to be in the mail to the Board offices at that point in time.

The second part of the report referred to file #8456 Wade A. LaVigne. Mr. Wade had applied for Certified Residential Appraiser by reciprocity. The Committee was recommending the Board delay the decision until resolution of some recently received DPS hits and a new complaint #3196 and potential untruths on the application for reciprocity.

The Committee additionally recommended the Board open a complaint on Mr. LaVigne's previous renewal application for his Arizona license for failure to disclose information and potential untruths. Ms Galvin explained to the Board that this involved a reported criminal history which had not been disclosed and affected both his application for reciprocity and his previous application for renewal.

The motion was made by Mike Trueba, seconded by James Heaslet and carried unanimously.

New Business

Discussion, consideration and possible action concerning ProTek Appraisal Management Company's solicitation of appraisers to Desktop Reconciliations and "reconcile" BPO's and appraisals. There has been an email sent to appraisers asking them to sign up to do these reconciliations. The offering states:

1. Review BPO's and/or appraisals against market data
2. Verify that the value is supported based on your research
3. Confirm your conclusions with comments and supporting data
4. Provide a final reconciliation of value

The solicitation goes on to express the opinion that "these are not USPAP compliant reviews". It is unclear if they are trying to make the appraiser aware that they are not USPAP compliant reviews or whether they are trying to state that they do not need to comply with USPAP.

The Board then directed the Executive Director to issue a newsletter alerting appraisers to be review Standard 3 prior to accepting these assignments and to also send a letter to the Chief Appraiser at the AMC company with the same information.

Setting of dates for future meetings

2011

January

20	Application Review Committee	3:00pm
20	Testing and Education Committee	3:30pm
21	Board	9:00am

February

17	Rules Committee	11:00am
17	Application Review Committee	3:00pm
17	Testing and Education Committee	3:30pm
18	Board	9:00am

March

15	Rules Committee	1:00pm
15	Application Review Committee	3:00pm
15	Testing and Education Committee	3:30pm
16	Board	9:00am

April

21	Rules Committee	1:00pm
21	Application Review Committee	3:00pm
21	Testing and Education Committee	3:30pm
22	Board	9:00am

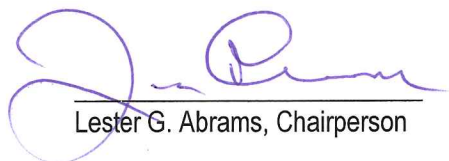
May

19	Rules Committee	1:00pm
19	Application Review Committee	3:00pm
19	Testing and Education Committee	3:30pm
20	Board	9:00am

Michael Marquess then announced that he would not seek a next term since he has ceased appraising and has started a new business. His term expires on January 17, 2011 and he does not intend to stay past his expiration date. This would be his last Board meeting. The Board then congratulated him on his new business and expressed the feeling that it would be a great loss to the Board.

Adjournment

Les Abrams then declared the meeting adjourned.



Lester G. Abrams, Chairperson